

Date: June 27, 2003

To: Chairman Randolph and Commissioners Downey, Karlan, Knox, and Swanson

From: Mark Krausse, Executive Director

### EXECUTIVE DIRECTOR'S REPORT

This is a summary of administrative activity and other matters since the report sent to you prior to the June Commission meeting.

#### A. PERSONNEL

Todd Lewellen, a Stanford Law School student entering his second year this fall, has joined the Enforcement Division for the summer, and may also work with the Legal Division before returning in the fall. Todd is being paid by Stanford's Public Interest Law Society.

Kathleen Moore has joined us for the summer as a part-time media assistant, working two days a week. Kathleen is a recent graduate of Cal State University-Chico, where she earned a B.A., with honors, in political science. She was an intern last summer for Senator Deborah Ortiz, researching proposed legislation and assisting constituents.

#### B. STAFF PROJECTS

The Legal Division hosted a Bagley-Keene Open Meeting laws presentation by Deputy Attorney General Ted Prim on June 18, 2003. The training session was open to all employees.

The Technical Assistance Division conducted SEI outreach visits for the superior courts of Contra Costa and Shasta counties, the California Department of Insurance and its Office of Conservation and Liquidation, CalPERS, and the cities of Pacifica, Mendota, Avenal, Rancho Cordova, Westlake Village, South San Francisco, Menlo Park, Palo Alto, Rolling Hills Estates, and Malibu. Additionally, SEI-Unit Manager Dixie Howard traveled to the City of La Habra to speak at a meeting of the Southern California City Clerks Association.

The Public Education Unit is working on the summer 2003 issue of the *FPPC Bulletin*,

revisions to several other publications, and has added and updated web site content. The unit recently reorganized the past enforcement case summary pages on the web site to increase its ease of use.

### C. APPROVAL OF CONFLICT OF INTEREST CODES/AMENDMENTS

Since the last commission meeting, the agency has approved the following codes/amendments:

Assembly Rules Committee, State of California  
California Earthquake Authority  
Cascade Pacific Library Network  
Central Coast Water Authority  
Freeport Regional Water Authority  
Guajome Park Academy  
North Bay Schools Insurance Authority  
State Council on Developmental Disabilities, State of California

### D. FINDINGS OF PROBABLE CAUSE

Pursuant to regulation 18361, I have found evidence in the following cases sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that the following respondents committed or caused a violation of the Political Reform Act. **This finding of probable cause does not constitute a finding that a violation has actually occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding.**

**Mustafa Ghanee, FPPC Case No. 02/438.** On June 12, 2003, probable cause was found to believe that Respondent, a member of the Housing & Redevelopment Commission for the City of Vallejo, failed to timely file an annual statement of economic interests for 2001, in violation of Government Code section 87300 (1 count).

**Denise Johnson, FPPC Case No. 02/61.** On June 12, 2003, probable cause was found to believe that Respondent, a former Staff Counsel for the California Department of Motor Vehicles, failed to timely file a 2000 annual statement of economic interests and failed to timely file a leaving office statement of economic interests in violation of Government Code section 87300 (2 counts).

**Robert McAdoo, FPPC Case No. 02/369.** On June 5, 2003, probable cause was found to believe that Respondent, a member of the Board of Directors for the Ukiah Valley Fire Protection District located in Mendocino County: failed to timely file an annual statement of economic interests for 1999, 2000, and 2001, in violation of Government Code section 87300 (3 counts).

**Armando Rea, Citizens to Elect Armando Rea and Sylvia Herron, FPPC Case No. 97/352.** On June 6, 2003, probable cause was found to believe that Respondent Armando Rea, a candidate for re-election to the Lynwood City Council, Respondent Citizens to Elect Armando Rea, the controlled committee of Respondent Armando Rea, and Respondent Sylvia Herron, treasurer of Respondent committee, failed to disclose campaign contributions, in violation of Government Code section 84211(f) (6 counts); failed to timely file semi-annual campaign disclosure statements in violation of section 84200(a) (3 counts); failed to disclose campaign expenditures, in violation of section 84211(k) (6 counts); failed to disclose the true source of a campaign contribution, in violation of section 84211(f) (1 count); failed to properly dispose of anonymous contributions, in violation of section 84304 (1 count); failed to timely file a pre-election campaign disclosure statement, in violation of sections 84200.5 and 84200.8 (1 count); accepted cash contributions, in violation of section 84300(a) (2 counts); failed to file late contribution reports, in violation of section 84203(a) (2 counts); and failed to maintain detailed records and accounts as were necessary to prepare campaign statements, in violation of section 84104 (1 count). Probable cause was also found to believe that Respondent Rea failed to disclose gifts on his annual statement of economic interests in violation of section 87207(a)(4) (3 counts) and received gifts in excess of the \$280 gift limit, in violation of section 89503(a) (3 counts).

#### E. REQUESTS FOR EXTENTION OF COMMITTEE TERMINATION

Pursuant to regulation 18404.1, campaign committees facing termination by December 31, 2002, who desire an extension of that deadline must submit a request to the Executive Director by December 1, 2002. Since my last report, I have responded to the following requests:

**Aghazarian for Assembly, #990517.** Second request for extension granted. Candidate's committee has raised \$15,000 towards debt retirement. Debt is owed to the candidate.

**Committee to Elect Gary Miller, #963090.** Second request for extension granted. The committee's campaign has paid \$185,000 of their outstanding debt since their last extension.

**Nakanishi for Assembly, #980198.** Second request for extension granted. The committee has the funds in the amount of \$28,500 and will be paying that amount toward their outstanding debt by June 30, 2003.

**Nakanishi for Senate, #991831.** Second request for extension granted. The committee has the funds and will be paying \$18,500 toward their outstanding debt by June 30, 2003.